

Electric Systems and Controls, Inc.
Gregory R. Bray, President & CEO

Success Story

While many U.S. companies are buying products from China or setting up factories there, one Alabama company exports its products and services to China. Electric Systems & Controls, a Birmingham-based firm in business since 1960, has found a niche in the Chinese market.

It seems Electric Systems & Controls' excellent international reputation preceded it to China. The company, under its present ownership (Gregory Bray is President and CEO) since 1980, is well known in the foundry, cement, and paper industries for its engineering and production processing machinery for heavy industrial plants. It had some experience in international work, but nothing on the scale of what the Chinese wanted.

Greg Bray tells how it happened: "It seems a Chinese salesman, while he visited Weichai Power Co., had an American magazine that featured one of Electric Systems and Controls advertisements. He showed it to the right person, who initiated the contact with Bray in Birmingham. "That salesman now works for us," Bray says.

Weichai Power Co., headquartered in Weifang City, Shandong, China came to Bray and asked him to bid on a large project for engineering and building a cupola melt facility and emission control system for a diesel manufacturing plant in Weifang City. The contract was for \$11.8 million.

A cupola melt facility is a vertical shaft furnace used to melt scrap iron for re-use in heavy iron products like engine blocks.

Bray did bid, and won the contract over a German competitor. But financing was a challenge according to Mr. Bray. "Fortunately, we were able with the assistance of First Commercial Bank in Birmingham and the Alabama International Trade Center, to obtain a working capital guarantee from the Export-Import Bank of the US," he explained. In essence, the working capital guarantee enabled a performance bond to be issued which the project requires.

The Alabama International Trade Center, an SBDC in Tuscaloosa, is a partnership program with the SBA and the Alabama Small Business Development Consortium.

"The other parts of the work there have been challenging," Bray added. Language barriers, sub-contractor issues, and shipping made the final negotiation of the contract tedious. "The Chinese simply do business a different way. We had to hire a consultant to help us through that," Greg added. Now finalized, the Company has delivered the material, and awaits the initial start-up.

And Mr. Bray is soon scheduled for his 23rd trip to China to start on another bid he won with the same company for a second cupola melt facility at the same plant.

Congratulations to Electric Controls and Systems of Birmingham – a true American and Alabama success story.